

# Significant events of the year

## Integrated Water Service of the Province of Piacenza

Following the signing of the agreement for the management of the Integrated Water Service of the provincial area of Piacenza, which took place on 16 December 2024, Iren Acqua Piacenza S.r.l. became the new service provider as of 1 January 2025, for a duration of 16 years, replacing the previous operator, IRETI.

Iren Acqua Piacenza is a local operating company specifically established for this purpose and is wholly owned by IRETI, which was awarded the public tender. Its industrial plan includes significant investments in the networks and infrastructure of the integrated water cycle—primarily aimed at reducing water losses and energy consumption—as well as the restructuring, upgrading, and construction of works and plants within the sewerage network.

## Full Consolidation of EGEA Holding

Following the receipt of Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid a capital increase of 10 million euro in EGEA Holding (2,941 euro in share capital and 9,997,059 euro in share premium), increasing its shareholding from 50% to 52.77%.

On the same date, a shareholders' meeting was held which approved the appointment of a new board member nominated by Iren. By nominating four out of the seven members of the Board of Directors, Iren acquired control of EGEA Holding and its subsidiaries, resulting in their full consolidation.

Lastly, following the announcement of the exercise of the call option at the end of March, on 22 May 2025, Iren S.p.A. finalised the acquisition of the remaining 47.23% of EGEA Holding held by the other shareholder MidCo 2024 S.r.l., thus achieving total control. At the end of the transactions envisaged since the agreements signed on 1 August 2024, MidCo 2024 and the financial creditors of the EGEA group have therefore decided to accept the minimum price quantification of 74.8 million euro as indicated by Iren in the notice of exercise of the call option itself.

The terms of the agreement provide for the payment of a portion of the price paid at the closing in the amount of 68.9 million euro and a residual portion of 6.7 million euro deferred to 31 March 2029, including financial expenses in consideration of the unwillingness of certain creditor parties to apply the so-called "minimum price discount mechanism".

## Hybrid Bonds

On 16 January 2025, Iren S.p.A. successfully placed its first Hybrid Bonds, with a nominal value of 500 million euro, issued in a single tranche for the full amount. The settlement date was 23 January 2025. As outlined in the relevant terms and conditions, the instrument is a non-convertible, subordinated, perpetual bond, redeemable only in the event of the Company's dissolution or liquidation.

The fixed annual coupon, payable annually in arrears in April starting in April 2025, is 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the security will accrue interest equal to the five-year Euro Mid Swap rate, increased by an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035 and by a further 75 basis points from 2050, for a cumulative amount of 100 basis points.

The issue price was set at 99.448% and, therefore, the effective yield at the first reset date is 4.625% per annum.

The securities, intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin). They have been assigned a rating of BB+ by both Standard & Poor's Global Ratings and Fitch Ratings, with an equity content of 50%.

The transaction, which received almost eight times more requests for subscription than the amount offered, totalling orders for 4 billion euro, is aimed at further strengthening the capital structure and sustaining the Group's financial flexibility, and is consistent with the Iren growth strategy aimed at the integration of EGEA, new potential development opportunities for external lines and the realisation of the investments envisaged in the Business Plan, confirming the commitment of Iren to maintaining its current investment grade rating.

## Acquisition of the non-controlling interest in Iren Acqua

On 20 February 2025, IRETI finalised the acquisition of the remaining 40% investment in Iren Acqua (the operator of the Integrated Water Service in 39 municipalities within the Genoa ATO), previously held by F2i SGR through its managed funds. The total consideration for the transaction amounts to 282.5 million euro, of which 100 million euro was paid at closing. The remainder is deferred to 4 years and three months, and bears interest at a compound annual rate of 4.5%.

From a financial perspective, the transaction allows for a reduction in third-party dividend payments and an increase in the Group's profit for the year. This results in a favourable financial impact due to the lower cost of Group debt compared to dividends previously paid to the non-controlling investor, ultimately contributing to an increase in earnings per share to the benefit of Iren shareholders.

Finally, Iren Acqua was merged into IRETI with effect from 1 July 2025, with accounting and tax effects backdated to 1 January.

### Capacity Market Auction for 2027

At the beginning of March 2025, the result of the Capacity Market's parent auction for 2027 confirmed, as it did for 2022 to 2026, the allocation of 100% of the capacity offered by the Group: 2,055 MW in the Northern Zone, awarded at a price of 47,000 euro/MW/year.

### Shareholders' Meeting

On 24 April 2025, the Ordinary Shareholders' Meeting approved the Statutory Financial Statements of Iren S.p.A. at 31 December 2024, and resolved to distribute a dividend of 0.1283 euro per ordinary share, confirming the proposal made by the Board of Directors.

The Shareholders' Meeting also:

- approved the first section ("2025 Remuneration Policy") of the Report on the 2025 Remuneration Policy and on fees paid for 2024;
- issued a favourable vote on the second section ("Fees paid for 2024") of the same Report;
- appointed the Board of Directors and its Chair for the 2025–2026–2027 term (expiring upon approval of the financial statements for 2027), and defined the related remuneration.

### Renewal of the EMTN Programme

Iren renewed its EMTN (Euro Medium Term Notes) Programme, which is used to issue bonds, increasing the maximum amount from 4 to 5 billion euro.

On 23 July 2025, the Prospectus relating to the Programme was approved by CONSOB for the first time and obtained a judgement of admissibility for listing on the Electronic Bond Market (MOT) by Borsa Italiana.

The Programme was rated "BBB" by the rating agencies Fitch Ratings and S&P Global Ratings.

### Upgrade of Fitch's Iren debt rating following the improvement of Italy's rating

On 25 September 2025, following the recent improvement in Italy's sovereign Long-Term Issuer Default Rating (IDR), Fitch Ratings upgraded its debt rating for Iren S.p.A., specifically:

- the Iren S.p.A. senior unsecured debt rating from "BBB" to "BBB+," a one-notch upgrade from the Iren long-term rating (unchanged at "BBB"), to reflect the lower risks associated with debt instruments issued by service companies with more than 50% of their revenue derived from regulated activities;
- hybrid bond rating (subordinated debt) from "BB+" to "BBB-," reaching Investment Grade.

### Business Plan 2025-2030

On 13 November 2025, the Board of Directors approved the 2030 Business Plan, which is characterised by a balanced distribution of investments over the years, low execution risk, high predictability of results, and significant investments in sustainable projects and activities.

The Iren growth strategy, which involves strengthening the workforce through 2,400 new hires, is confirmed in the three fundamental pillars:

- ecological transition, which takes an even more targeted and resilient approach. In response to the altered market conditions and the authorisation duration for new renewable capacity, priority will be given to initiatives that safeguard the environment and the ecosystems in which the Group operates, such as developing material and energy recovery plants or building wastewater treatment plants;
- creation of value for the local areas, which translates into the development of infrastructure essential to local growth and the strengthening of the Group's local presence, responding in a timely manner to the needs of the communities in which the Group operates;
- service quality, aiming to increase the resilience of distribution networks to minimise disruptions, improve the customer experience through widespread local presence, and optimise business processes for efficiency.

In line with the strategic guidelines, the three pillars are expressed in an advanced and more focused business model. The Group's transformation from an extended multi-utility to a focused multi-utility will occur through a more selective capital allocation focused on core businesses, with the aim of maximising the value generated, concentrating resources on higher-return activities, and reducing exposure to activities where a competitive advantage has not yet been developed.

In this regard, Iren targets:

- EBITDA of 1.6 billion euro by 2030, with a CAGR of +4% thanks to organic growth, synergies, and the expansion of the consolidation scope;
- total investments of 6.4 billion euro (60% for maintenance and 40% for development), mainly allocated to the regulated sectors (Integrated Water Service and electricity grids), new energy recovery capacity from municipal waste, the extension of district heating, the renewal of hydropower concessions, the development – albeit at a slower pace than in the previous plan – of 200MW of installed photovoltaic generation capacity, the consolidation of the customer base, and the improvement of the customer experience. The visibility of the return on investment from these investments is based on the high percentage dedicated to regulated businesses, equal to 80% of the total.

Of the total investment amortisation, a significant portion (4.3 billion euro, or 70%) is earmarked for sustainable projects aligned with the European Taxonomy (of which 33% for sustainable water management, 28% for supporting the transformation of resilient cities, 26% for decarbonisation, and 13% for the circular economy).

Finally, in addition to the planned investments, there are further potential upsides linked to the organic and inorganic development opportunities that the Group is now in a position to seize;

- a Net Financial Position/EBITDA ratio that is gradually improving to 3.0x in 2030. Despite the significant investment plan, the financial profile is expected to be balanced, ensuring a broad scope of financial flexibility compared to the maximum threshold of 3.5x, established in line with current ratings and supported by the increased incidence of regulated activities, expected to reach 75% by the end of the plan.

The average cost of debt is expected, as in the previous plan, to be below 2.9% in 2030. Furthermore, 80% of the debt will consist of sustainable finance instruments by 2030.

Finally, it should be noted that the expected financing sources do not include asset disposals;

- a Group profit for the year of 400 million euro by 2030, with a CAGR of +7%;
- an increase of +8% in the annual dividend until 2027 and +6% from 2028 to 2030, ensuring stable and predictable returns for shareholders.

### Fitch and S&P rating

Following the presentation of the 2025-2030 business plan, the rating agencies Standard & Poor's and Fitch Ratings issued the following assessments:

- on 27 November 2025, Standard & Poor's affirmed the Iren long-term credit rating (BBB/Stable), commenting that the new plan reinforces the focus on regulated activities while maintaining prudent 'headroom', in line with the current rating level;
- on 22 December 2025, Fitch Ratings confirmed the Iren long-term credit rating (BBB/Stable). This confirmation reflects the prudent strategy of Iren, which prioritises financial discipline and selective capital allocation. Thanks to the prevalence of regulated and semi-regulated activities, the business profile is characterised by high predictability of cash flows. The 'Stable' outlook reflects expectations that the company will maintain sufficient financial flexibility to support the stability of its rating, with key indicators well below the thresholds. The ratings for senior bond debt (BBB+) and subordinated bond debt (BBB-) were also affirmed.